

REFERENCE TITLE: children's health insurance program; outreach

State of Arizona
Senate
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SB 1578

Introduced by
Senators Pesquiera, Arzberger; Representatives Gallardo, Saradnik;
Senators Garcia, McCune Davis; Representative Prezelski

AN ACT

AMENDING SECTION 36-2988, ARIZONA REVISED STATUTES; RELATING TO THE CHILDREN'S HEALTH INSURANCE PROGRAM.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 36-2988, Arizona Revised Statutes, is amended to
3 read:

4 36-2988. *Delivery of services; health plans; requirements*

5 A. To the extent possible, the administration shall use contractors
6 that have a contract with the administration pursuant to article 1 of this
7 chapter or qualifying plans to provide services to members who qualify for
8 the program.

9 B. The administration has full authority to amend existing contracts
10 awarded pursuant to article 1 of this chapter.

11 C. As determined by the director, reinsurance may be provided against
12 expenses in excess of a specified amount on behalf of any member for covered
13 emergency services, inpatient services or outpatient services in the same
14 manner as reinsurance provided under article 1 of this chapter. Subject to
15 the approval of the director, reinsurance may be obtained against expenses in
16 excess of a specified amount on behalf of any member.

17 D. Notwithstanding any other law, the administration may procure,
18 provide or coordinate covered services by interagency agreement with
19 authorized agencies of this state for distinct groups of members, including
20 persons eligible for children's rehabilitative services through the
21 department of health services and members eligible for comprehensive medical
22 and dental benefits through the department of economic security.

23 E. After contracts are awarded pursuant to this section, the director
24 may negotiate with any successful bidder for the expansion or contraction of
25 services or service areas.

26 F. Payments to contractors shall be made monthly and may be subject to
27 contract provisions requiring the retention of a specified percentage of the
28 payment by the director, a reserve fund or any other contract provisions by
29 which adjustments to the payments are made based on utilization efficiency,
30 including incentives for maintaining quality care and minimizing unnecessary
31 inpatient services. Reserve monies withheld from contractors shall be
32 distributed to providers who meet performance standards established by the
33 director. Any reserve fund established pursuant to this subsection shall be
34 established as a separate account within the Arizona health care cost
35 containment system.

36 G. The director may negotiate at any time with a hospital on behalf of
37 a contractor for inpatient hospital services and outpatient hospital services
38 provided pursuant to the requirements specified in section 36-2904.

39 H. A contractor may require that subcontracting providers or
40 noncontracting providers be paid for covered services, other than hospital
41 services, according to the capped fee-for-service schedule adopted by the
42 administration or at lower rates as may be negotiated by the contractor.

1 I. ~~The administration and contractors shall not contract for any~~
2 ~~services or functions related to this article with a school district~~
3 ~~including contracting for the delivery of services, screening, outreach or~~
4 ~~information that involves the use of school staff and facilities.~~ A school
5 district may perform outreach and information activities that relate to this
6 article. Outreach and information activities performed by a school district
7 shall not reduce or interfere with classroom instruction time.

8 J. The administration is exempt from the procurement code pursuant to
9 section 41-2501.